

WESTBURY PARISH COUNCIL INTERNAL AUDIT 2019-20

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the staff and management and not left for internal audit.

The council is required to take appropriate action on all matters raised in reports from and to respond to matters brought to its attention by Internal and External Audit. Failure to take appropriate action may lead to a qualified audit opinion being issued by the External Auditor.

To the Chairman of the Council:

Due to the Covid-19 pandemic and as a consequence of the legal distancing restrictions imposed by the UK government I carried out the audit remotely, by e-mail and 'phone on 11 May. I would thank Cathy Knott, Clerk and RFO for her co-operation and assistance in delivering the audit.

I firstly sought evidence that the previous year's reports from Internal and External Auditors had been properly reported to and actioned by the Council; they had. I then examined the Council's arrangements for the management and control of its business in the areas of book keeping, due process (ie compliance with the proper practices as set out in the Practitioners' Guide*), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control and year-end procedures. This was achieved through examination of the publically available information displayed on the Council's website - policies, procedures, agendas, minutes, financial and other records - and where necessary I requested and was provided with supplementary evidence to enable me to reach a conclusion regarding the enquiries I am required to make as set out in the Annual Internal Audit Report (AIAR) that forms part of the Annual Governance and Accountability Return (AGAR). This supplementary information was provided in the form of written answers to the questions raised together with scanned documents, including the Accounting Statements, section 2 of the AGAR and in discussion on the 'phone on 11 May.

I identified just one audit issue relating to the Asset Register, where the acquisition costs (as opposed to the insurance values) are not currently included. For the purpose of box 9 in the Accounting Statements (section 2 of the AGAR) assets should be shown at the acquisition cost (or a £1 proxy cost where the actual cost is not known eg for donated items); further details on the management of assets are provided in paras 5.57 - 5.63 of the Practitioners' Guide*, para 5.59a sets out the key information to be recorded in the asset register. Notwithstanding the above, I noted acceptable standards of compliance, both with regulatory requirements and the proper practices in all other areas and aspects of the council's business and activities examined.

This report is based on the evidence made available to me and consequently, the report is limited to those matters set out above. Through examination of hard evidence and questioning, I confirm that I tested all the aspects of the Council's internal controls that I am required to consider and I am satisfied that effective systems to manage, monitor and control the Council's business are in place. Accordingly, I have completed and signed off the Annual Internal Audit Report at page 3 of the AGAR as required.

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*The proper practices referred to in Accounts and Audit Regulations 2015 are set out in *Governance and Accountability for Smaller Authorities in England (March 2019), A Practitioners' Guide*. Sections 1 & 2 constitute the 'proper practices' that smaller authorities must follow and sets out the appropriate standard of financial reporting. Please note this version applies for 2019/20, however the March 2020 version (that clarifies proper practices - there have been no material changes) is available for free download from this page:

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